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October 18, 2001

TO: Minerals File

THRU: Wayne Hedberg, Permit Supervisor *DWH*

FROM: Paul Baker, Senior Reclamation Biologist *PBB*

RE: Site Inspection, Deseret Generation and Transmission, Diamond Mountain Resources Mine, S/047/066, County, Utah

Date of Inspection: October 16, 2001

Time of Inspection: 12:20 to 2:00 p.m.

Conditions: Partly Cloudy, 50's

Participants: Paul Baker and Doug Jensen, DOGM; Chauncie Todd, USFS, accompanied us to the site but left shortly after we arrived. About four employees of the contractor were present, and we spoke briefly with one, Dean Thatcher.

PURPOSE OF INSPECTION:

The Division has never inspected the site or received adequate information for the notice of intention for a small mine operation. We wanted to find out how large the operation is and to see how it is being conducted.

OBSERVATIONS:

General

To get to the site, follow U. S. 191 north from Vernal. At mileage marker 225, turn right and stay on the paved road to the mine. It is about three miles from the highway to the mine.

The operator mines limestone from this site. There is a pit in the lower part of the disturbed area, and crushing, screening, and loading operations are being done in the upper part of the area. There are several pieces of equipment on site, including a track hoe, two dozers, a backhoe, two graders, one scraper, two front end loaders, a fuel tank, a water tank and trailer, conveyors, and crushing and screening equipment.

There is a paved road from U. S. Highway 191 to the site, and since this road leads directly to the mine, it definitely appears it was improved for the mine. Mr. Todd indicated, however, the Forest Service had agreed to take responsibility for the road up to the gate on the northeast corner of

the mine, and a Forest Service letter dated April 22, 1999, says Ashley National Forest has decided that the access road will become a Forest System road. According to this letter signed by the forest supervisor, Forest Service priorities may change in the 30 or more years proposed for mining, but its plans are to keep the road as public access after the mining operation is completed.

Soils

During the inspection, a contractor, Ned Mitchell Construction, was loading soil from a stockpile and taking it to the pit area. A slope on the southeast side of the pit had been covered with soil, and the scraper was dumping soil on the pit floor. There was one small soil stockpile in addition to the stockpile from which the scraper was taking soil. Both of these stockpiles were within the general area of the crushing, screening and loading operations rather than being placed to the side, and there was some gravel contamination on the smaller pile.

I asked Mr. Thatcher if these two stockpiles were all that had been gathered from the site, and he said soil had only been salvaged from the pit area from which the operator had actually mined limestone. According to Mr. Thatcher, no soil was salvaged from the crushing, screening, and loading area.

In adjacent undisturbed areas, I saw varying amounts of soil. On the west side of the disturbance, the bedrock is exposed in many places, but toward the east, it appears the soil is much deeper (although we did not dig to see how deep).

Reclaimed Area

In the northwest part of the disturbed area is a 1.3-acre area that has been graded and revegetated. We found good vegetation cover although we did not compare the cover with adjacent areas. Part of the area has a steep slope, and there is a surface crack at the top of this slope indicating it may not be stable.

Acreage

We took GPS readings around the area that has been disturbed, including the reclaimed area discussed in the previous paragraph. This data was downloaded and corrected using Pathfinder software, and the total disturbed area is 17.64 acres.

Water Quality

I saw some sign of sediment leaving the site, but it was relatively minor and did not extend to the drainage. The drainage that goes through this area is ephemeral, but I suspect it could flow in the spring.

Included among the equipment on site was a fuel tank, and there was no berm or other containment as required in the Clean Water Act.

We took several photographs and made a map based on the GPS data. These are both attached to this report.

CONCLUSIONS AND RECOMMENDATIONS:

As discussed below, there are several areas where the operator is not following regulatory requirements or the plan of operations. The Division should issue a notice of noncompliance and require that these issues be adequately addressed immediately.

General

The only correspondence the Division has received directly from the operator has been annual reports for 1997 and 1998. There are no reports for 1999 or 2000, and the operator has not paid fees for 2000. The \$100 fee was paid for 2001, but since this will now be classified as a large mine, the amount due is \$250.

On August 12, 1998, the Division received a copy of a plan of operations from the Forest Service, and, in accordance with a memorandum of understanding, the Division submitted deficiency comments to the Forest Service to be forwarded to the operator. These deficiencies were not addressed, and on April 20, 1999, the Division again wrote the Forest Service with concerns not covered in the environmental assessment. On August 9, 2001, the Division received a letter from the Forest Service that included the same plan of operations received three years earlier. The Division's concerns have not been addressed, so there is no permit for this site.

The operator needs to pay the permit fees for a large mine. Since the site has now exceeded the acreage for a small mine, the operator needs to supply the Division with the additional information and furnish a reclamation bond for a large mine operation.

Soils

The plan of operations submitted to the Forest Service says the topsoil varies from a few inches to six feet deep and that the topsoil will be removed and stockpiled on site at a depth of no greater than two feet for later reclamation. All topsoil will be seeded annually until needed for reclamation. Although the operator salvaged some soil—we don't know how much—from the pit area, soils in the crushing/screening/loading area were not salvaged and stockpiled and are not being protected as required and as the operator committed to do.

The plan of operations says all servicing of equipment will be done on a maintenance pad designed to prevent any contamination from getting into the soil. We did not see a maintenance area, but since soil was not salvaged, any leaks or spills would be likely to contaminate the soil.

The operator needs to supply complete baseline soils information as required under the regulations for a large mine. The Division also needs an operation plan showing how soil salvage and stockpile operations will be coordinated with other parts of the mining operation. Soils in the crushing/screening/loading area need to be salvaged to reduce further contamination.

Reclaimed Area

Since the operator has not requested release of the reclaimed area, the Division considers it to still be part of the disturbed area. Plans provided to the Forest Service indicate the operator intends to mine through the area. It is possible the area has adequate vegetation to be released, but we do not consider the slope to be stable.

Acreage

The plan of operations says:

It is intended to limit the amount of disturbance to five acres at any one time. As the mine develops and the disturbance increases to an area of four acres, at least one acre will be reclaimed for every additional acre disturbed.

The operator clearly has not followed the plan of operations. There is a 1.3-acre area that has been reclaimed, but it was not reclaimed to Division standards. There are 16.34 acres of additional disturbance, not four.

Water Quality

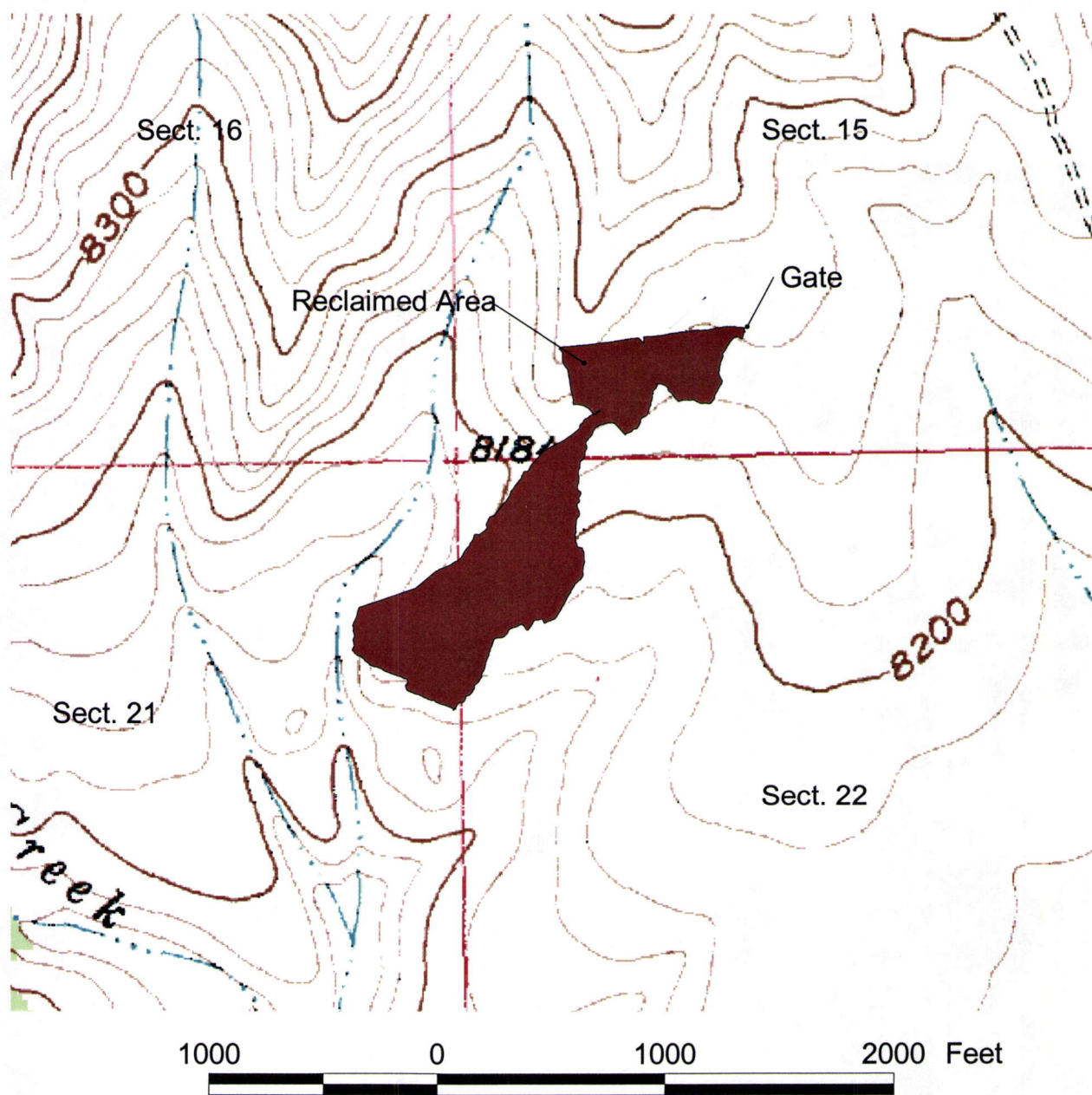
The plan of operations indicates two settling ponds will be built on the site, each with a capacity of one and one-half acre-feet. There are no settling ponds.

There is no berm or other form of containment around the fuel tank, yet the plan of operations says, "The fuel oil will be stored in a fuel tank and all fueling will take place on a fuel pad designed to contain any spill."

The operator needs to supply maps and plans showing how sediment and other contaminants will be controlled. Once approved, the operator needs to follow these plans.

Air Quality

We saw no particular problems with fugitive dust at the time of the inspection, but the crusher was not running during the inspection. The Division of Air Quality has no record of an Air Quality Approval Order being issued for this site. Based on information I provided about the operation, Tim Blanchard of the Division of Air Quality indicates the site needs an approval order. I left a voice mail message for Marv Maxell in the enforcement branch of Air Quality informing him of the situation.



Deseret Generation and Transmission Diamond Mountain Resources

S/047/066

Prepared 10-17-01 by Paul Baker, Division of Oil, Gas and Mining, from information gathered 10-16-01. Total acreage: 17.64 acres. Quad Name: Burnt Cabin Gorge.

Township 1 South, Range 22 East, SLBM

The Division does not guarantee the accuracy of this map.















